

## REMARKS

Upon entry of the present amendment claims 1, 3-15, and 17-42 are pending in the application. Claims 1, 17, 30, and 42 have been amended. No new matter has been introduced by this amendment.

### 1. Amendments to the Claims.

Claims 1, 17, 30, and 42 have been amended to recite “from 2.5 mEQ OH/gram NV of polymer (a).” Support for this amendment can be found at least in the Application as filed, paragraph [0059]. No new matter has been introduced by this amendment.

Claim 18 has been canceled without prejudice.

### 2. Rejection of claims 1 and 3-42 under 35 U.S.C. §103(a) as unpatentable over U.S. Patent No. 4,581,395 to Nakaya et al., hereafter “Nakaya”, in view of Degussa Vestagon product literature, hereafter “Degussa”.

Claims 1 and 3-42 stand rejected under 35 U.S.C. §103(a) as unpatentable over Nakaya in view of Degussa. The Examiner states:

“Nakaya et al disclose aqueous dispersions suitable for coating applications. These dispersions are taught as comprising blocked isocyanate resins which are taught as being melt blended with acrylic resins containing carboxyl and hydroxyl groups. These carboxyl groups are taught as neutralized and thus are seen as salted. Hydroxyl values for the acrylic resins are taught by way of example as 69 at Table 1. Hydroxyl values are conventionally expressed as mg KOH per gram of polymer, and, therefore, this value would translate to approximately 1.2 meq per gram.

While the Tg of the isocyanate resins is not explicitly recited, it is the position of the examiner that the Degussa product literature demonstrates that TG's within applicants' claimed range are common, if not predominant, for blocked isocyanates in the field of powder coating applications.”

(10/5/06 Office Action, page 2, third paragraph.) Applicants appreciate the detailed basis of this rejection but respectfully disagree.

For an obviousness rejection to be proper, the Examiner must meet the burden of establishing a prima facie case of obviousness. *In re Fine*, 5 U.S.P.Q.2d 1596, 1598 (Fed. Cir. 1988). Applicants' independent claims 1, 30 and 42 as currently amended

require that polymer (a) has from 2.5 to 6.0 mEQ OH/gram NV of polymer (a). Moreover, paragraph [00082] of Applicants' Specification expressly teaches the unexpected importance of the hydroxyl groups by stating "the amount of hydroxyl groups has been hypothesized to contribute to the unexpected stability of the resulting aqueous dispersion of the polymer (a) and the crosslinking agent (b)."

Nakaya discloses a water-soluble acrylic resin having a hydroxyl value of 69 in table 1, and a polyester resin having a hydroxyl value of 100 in table 13, which respectively translate to approximately 1.2 and 1.8 mEQ per gram. Although Nakaya discloses that hydroxyl functionality of the basic compound (II) is favorable for solubilizing resin powder (I) and aqueous resin (III) (Nakaya, column 2, lines 42-44,) such a statement fails to disclose the invention of amended claims 1, 30, and 42. That is, Nakaya neither teaches nor suggests that its resin powder (I) should be hydroxyl functional. As a result, Nakaya cannot and does not teach or suggest the use of Applicants' hydroxyl functional polymer (a) having Applicants' particularly required amount of hydroxyl groups.

Degussa is silent regarding acrylic polymers comprising one or more water dispersible sites, and thus combining Degussa with Nakaya does not teach or suggest Applicants' hydroxyl functional polymer (a) having Applicants' particularly required amount of hydroxyl groups.

Establishing a prima facie case of obviousness requires that all elements of the invention be disclosed in the prior art. *In Re Wilson*, 165 U.S.P.Q. 494, 496 (C.C.P.A. 1970). Since the combination of Degussa and Nakaya does not disclose all the elements of Applicants' claims, Applicants respectfully assert that the Examiner did not establish a prima facie case of obviousness. Withdrawal of the rejection is respectfully requested.

### CONCLUSION

Applicants respectfully submit that the Application and pending claims are patentable in view of the foregoing amendments and/or remarks. A Notice of Allowance is respectfully requested. As always, the Examiner is encouraged to contact the Undersigned by telephone if direct conversation would be helpful.

Respectfully Submitted,

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